

25X1

CENTRAL INTELLIGENCE AGENCY

25X1

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

S-E-C-R-E-T

COUNTRY	Yugoslavia/USSR	REPORT	
SUBJECT	Yugoslav-Soviet Relations	DATE DISTR.	13 July 1955
DATE OF INFO.		NO. OF PAGES	3
PLACE ACQUIRED		REQUIREMENT NO.	RD
DATE ACQUIRED		REFERENCES	

25X1

This is UNEVALUATED Information

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

25X1

1. Although the announcement of the visit of the Soviet leaders came as a complete surprise to most Yugoslavs, the following instances of Yugoslav and Soviet efforts to expedite the normalization of their relations can be cited:
 - a. In January 1955, Mika Popovic, director of the Kacarevo Cooperative for Agricultural Products, stated that the large quantity and poor quality of slaughtered cattle and pigs which were exported to the USSR did not meet standard trade requirements. He added that there must be a reason for the Soviets to accept and pay, without complaint, for meat which "could only be thrown away or used in the soap industry". He concluded by stating that Mijalko Todorovic, a member of the Federal Executive Council, had apparently discussed more than trade relations when the Yugoslav trade delegation was in Moscow.
 - b. In March 1955, the Federal Chamber of Commerce in Belgrade called all Yugoslav firms and specialists dealing with the export of Yugoslav hemp to a meeting. The chairman of the meeting, a foreign trade official, directed the representatives of the firms to export their hemp to the USSR, stating that the USSR would pay the same price for the hemp that the firms were obtaining from the [] countries. Some of the specialists present at the meeting spoke against this directive and pointed out that it would not be wise to abandon the [] markets by exporting all their hemp to the USSR. They further pointed out that the hemp sold to the [] countries was paid for in free dollars while the hemp sold to the USSR was paid in clearing dollars which could only be used for buying products from the USSR. These arguments carried no weight and the chairman ruled that all Yugoslav hemp would be sent to the USSR in the future.

25X1

25X1

25X1

S-E-C-R-E-T

25X1

STATE	X	ARMY	X	NAVY	X	AIR	X	FBI		AEC				
-------	---	------	---	------	---	-----	---	-----	--	-----	--	--	--	--

(Note: Washington distribution indicated by "X"; Field distribution by "#")

S-E-C-R-E-T

25X1

- 2 -

25X1

- c. The Polish commercial delegation, which was negotiating with Centroprom in Belgrade, was exceptionally well received. The delegates were billeted in Crtranovce, an exclusive and expensive resort about 50 kilometers from Belgrade. Persons who had dealt with several commercial delegations in the past, stated that this was the first time that a commercial delegation was received and entertained in such an extremely friendly and expensive manner.
 - d. The Czechoslovak commercial delegation, which negotiated with several Belgrade enterprises, was billeted in Avala and delegates were entertained and treated in the same manner as was the Polish delegation above.
 - e. In April 1955, the Yugoslav radio and press discontinued attacks on the international policy of ideological blocs in their foreign political commentaries. Nationalist intellectuals and their Communist associates considered this to be indicative of a future change in Yugoslav foreign policy. The publication of the military cooperation treaty, signed in Warsaw, led them to believe that the attitude of the radio and the press was a concession by the Yugoslavs to the Soviets and was interpreted by them as proof that the Yugoslavs and the Soviets were coordinating their actions.
2. Following the announcement of the visit of the Soviet leaders to Belgrade, Nationalists and Communists made the following statements:
- a. An FCY (Federation of Communists of Yugoslavia) member who has several high-ranking friends in the Yugoslav Ministry of Foreign Affairs stated that the agreement between the Soviet and Yugoslav leaders would not result in a return to the pre-1948 relationship as Yugoslavia cannot accept direct control by the Soviet Government or the Russian Communist Party. He excluded the possibility of the reestablishment of the former system of "instructors" in the economic, military, political or Party installations and ministries. However, he was of the opinion that the meeting in Belgrade would result in an agreement on the Communist ideological line relating to internal and foreign policy.¹
 - b. Two other persons, one a fairly high-ranking Yugoslav Army officer with Cominformist views and the other a former FCY member, stated that the visit of the top level Soviet leaders would raise Tito's prestige so high that it was impossible to even consider the possibility of re-establishing the pre-1948 relations between Yugoslavia and the USSR.
 - c. In Nationalist circles it is believed that a formal re-establishment of the pre-1948 relations with the USSR, which would result in Yugoslavia becoming a Satellite, would negate any advantages which the USSR might receive from their current "peace campaign". They also believe that if one were to analyze developments² within Yugoslavia during the past 12 months, one would see the trend to the left. This trend would logically lead to the re-establishment of closer relations between Yugoslavia and the USSR, culminating in a meeting of the top leaders of both countries. They consider a secret non-aggression pact between Yugoslavia and the USSR as an integral part of the discussions in Belgrade, as a non-aggression pact would be mutually satisfactory to Tito and the Soviet leaders.

S-E-C-R-E-T

25X1

S-E-C-R-E-T

- 3 -

25X1

25X1

3. No noticeable influx of Soviet Bloc personnel in Belgrade during the past ten months has been seen or heard of. However, on 19-20 May approximately 20 people in civilian clothing, apparently Russians, were observed. These were allegedly Soviet security personnel who were to assist the UDB in safeguarding the Soviet delegation during their visit to Yugoslavia.

1. ☐ Comment: The reasoning of this person is interesting because he presents this development in Yugoslav-Soviet relations as the result of Yugoslav initiative. Although the Soviets are propagating a policy of co-existence, one would conclude from their following a policy of ideological blocs that they were actually seeking co-existence between the different ideological blocs. Tito has succeeded in convincing the Soviets that the policy of active co-existence can be successful only if it does not demand that independent states be aligned with one or the other ideological bloc. It still remains an open question "whether, because of the Soviet acceptance of the Yugoslav views, the Yugoslavs will find themselves running into a trap of their own making".

25X1

2. ☐ Comment: This refers to the re-imposition of controls over business and the people which had been relaxed since 1952, the increased influence of Party cells in the various enterprise, the establishment of communes, the establishment of "house councils" to watch, control and report on the activities of persons living in apartment buildings, etc.

25X1

25X1

S-E-C-R-E-T

25X1